

Sunset Public Hearing Questions for
Soybean Promotion Board
Created by Section 43-20-102, *Tennessee Code Annotated*
(Sunset Termination June 2021)

Enabling Statute, Purpose, and Rules and Regulations

1. Provide a brief introduction to the board, including information about its purpose, statutory duties, staff, and administrative attachment.

The purpose of the Tennessee Soybean Promotion Board (TSPB) is to promote the growth and development of the soybean industry in Tennessee by research, advertisement, promotions, education, and market development, thereby promoting the general welfare of the people of Tennessee. TSPB is the Qualified State Soybean Board (QSSB) in the national checkoff program.

The General Assembly created the Soybean Promotion Board in 1977 (Chapter 208 of the Public Acts of 1977). Legislation pertaining to the Board is codified in Sections 43-20-102 through 43-20-216 of Tennessee Code Annotated. Section 43-20-102 specifies board membership to be nine members appointed by the Commissioner of Agriculture to three-year staggered terms. No member of the board shall be eligible to succeed himself on the board for more than one term. All members are to be producers of soybeans in the state of Tennessee

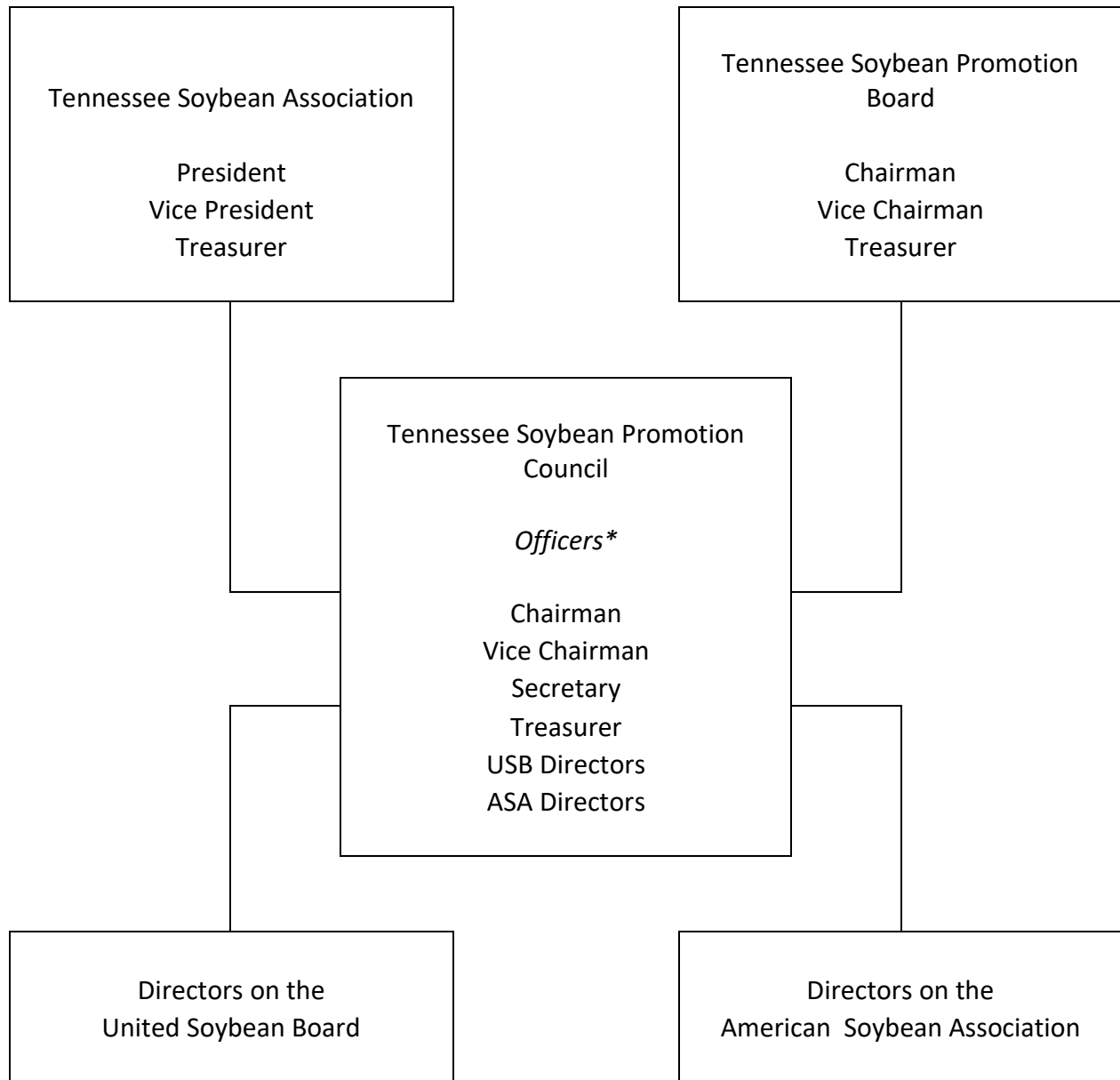
The staff of the Promotion Board is composed of Executive Director Parks Wells, Communications Director Gina Thompson, and Office Manager Marsha Dabney. Parks and Gina are salaried and Marsha works hourly, and all are paid through the Tennessee Soybean Promotion Council. The Council is a joint operation of the Tennessee Soybean Association and the Tennessee Soybean Promotion Board. (Please see the schematic of the Council on the next page.) Checkoff activities are paid by checkoff funds from the Promotion Board. Lobbying and association membership activities are paid by the Association. Employee work hours are allocated in those activity areas. Parks is also the state checkoff manager for Tennessee in the national checkoff.

On September 1, 1991, the national Soybean Promotion and Research Checkoff began, and the state program became dormant. TSPB became the Qualified State Soybean Board (QSSB) and has operated under the Rules and Regulations of the Federal Checkoff Program. The code sections of the state legislation do not apply to the national checkoff.

The National Program is administered by the United Soybean Board (USB) located in St. Louis, Missouri. This national board operates under the oversight of the Agriculture Marketing Service (AMS) of the United States Department of Agriculture. Every five years national producers are polled to see if they want to vote on continuing the program. As the QSSB for Tennessee, TSPB is responsible to the United Soybean Board, AMS, and USDA for operation of the checkoff program. Accountants from the Tennessee Department of Agriculture, Division of Quality and Standards, audit the grain elevators for the Promotion Board. All checkoff funds must be invested in accordance with the Act and Order. It is important to understand that we operate under the Federal Act and Order.

TSPB is managed by the Tennessee Soybean Promotion Council as illustrated in the schematic.

Tennessee Soybean Promotion Council



* Council Officers: The positions of chairman and secretary of the Council shall rotate each year from the top two positions respectively on the Promotion Board and the Association. The vice chairman and treasurer positions shall be filled in a like manner.

2. Has the board promulgated rules and regulations? If yes, please cite the reference.

No.

Board Organization, Oversight

3. Provide a list of current members of the board. For each member, please indicate who appointed the member, statutory member representation, the beginning and end of the member's term, and whether the member is serving a consecutive term.

TENNESSEE SOYBEAN PROMOTION BOARD
100 Executive Drive
Jackson, Tennessee 38305-2319

Director	County	Present Term Expires	Maximum Eligibility
TENNESSEE SOYBEAN ASSOCIATION			
Carl Schultz (Amy) 1215 Thorntree Drive Dyersburg, TN 38024 (731) 285-2280; Cell (731) 676-7500 cschultz@cableone.net	Dyer	2020	2020
John H. Dodson 3098 Unionville Road Halls, TN 38040 (731) 286-2268; Cell (731) 445-0904 johnhdodson@gmail.com	Dyer	2019	2022
Casey Youngerman (Sara) 1240 Youngerman Road Lexington, TN 38351 (731) 968-8372; Cell (731) 695-9812 cyoungerman@outlook.com	Henderson	2021	2024
TENNESSEE FARMERS COOPERATIVE			
Jason Cherry (Brandy) 5715 Cash School Road Enville, TN 38332 (731) 983-2424 (Cell) jncherry@ymail.com	Chester	2020	2023
John Litz (Kathy) 1255 Mayes Road Morristown, TN 37813 (423) 312-0144 (Cell) litzfarm@hotmail.com	Hamblen	2022	2025
Glen Hutchinson (Patti) 550 Hutchinson Lane	Rutherford	2018	2021

Murfreesboro, TN 37128
Cell (615) 394-3847
hutchinsonglen@bellsouth.net

TENNESSEE FARM BUREAU

Ben Moore (Jennifer) 270 Watts Road Dresden, TN 38225 (731) 364-0156; Cell (731) 431-2022 kbfarms2@frontiernet.net	Weakley	2020	2023
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Andy Teasley (Jenni) 3144 Gause Road Pleasant View, TN 37146 (615) 533-9016 (Cell) teasleyfarms@gmail.com	Cheatham	2022	2025
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Don Willis (Sherri) 175 Hidden River Lane Hillsboro, TN 37342-3888 (931) 467-3281; Cell (931) 580-3281 dwillis@willis.farm	Coffee	2018	2021
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2019-2020 OFFICERS

Chairman:	Don Willis
Vice Chairman:	Casey Youngerman
Secretary:	Jason Cherry
Treasurer:	John H. Dodson

EX-OFFICIO

Commissioner Charlie Hatcher, DVM
TN Department of Agriculture
Colleen Coury, Boyd Barker
P.O. Box 40627, Nashville, TN 37204
(615) 837-5100

AMERICAN SOYBEAN ASSOCIATION

Alan Meadows
865 Leon Meadows Road
Halls, TN 38040
(731) 431-8229 Cell
alan.meadows8229@gmail.com

AMERICAN SOYBEAN ASSOCIATION

Casey Youngerman
1240 Youngerman Road
Lexington, TN 38351
(731) 968-8372 Cell (731) 695-9812
cyoungerman@outlook.com

UNITED SOYBEAN BOARD

Steve May
3372 Hurricane Mills Road
Hurricane Mills, TN 38078
931-209-3167 Cell
stevemay5030@gmail.com

UNITED SOYBEAN BOARD

David Nichols
8283 Beaver Arm Road
Ridgely, TN 38080
(731) 445-4840 Cell
nicfarms@gmail.com

UNITED SOYBEAN BOARD

Don Willis (Sherri)
175 Hidden River Lane
Hillsboro, TN 37342-3888
(931) 467-3281, Cell (931) 580-3281
dwillis@willis.farm

TN SOYBEAN OFFICE

Parks Wells, Executive Director, 731-234-1697 Cell, pwells@tnsoybeans.org
Marsha Dabney, Office Manager, mdabney@tnsoybeans.org
Gina Thompson, Communications Director, gthompson@tnsoybeans.org
100 Executive Drive
Jackson, TN 38305
800-827-2326, 731-668-2850

4. Are there any vacancies on the board? If so, please indicate how long the position has been vacant and explain steps that have been taken to fill any vacancies.

There are no vacancies.

5. How many times did the board meet in Fiscal Years 2018, 2019 and 2020? How many members were present at each meeting? Please note meetings where the board did not have a quorum.

2018	2019	2020
3 times with quorum	3 times with quorum	2 time with quorum
Winter - 8	Winter - 6	Winter - 8
Classic meeting - 7	Classic meeting - 5	Classic meeting - 6
Summer - 7	Summer - 6	

*The Commodity Classic meetings are informal meetings.

6. Describe the relationship between the board, the Tennessee Soybean Promotion Council and the Tennessee Soybean Association. What functions do state employees perform and what functions do council or association employees perform?

The Council is the management entity of the Promotion Board and the Soybean Association. The three employees of the Council work on promotion, communication, and research program areas. They allocate their hours to projects under each entity thereby separating any membership or lobbying activities of the Association from those of the checkoff. Auditors with the Tennessee Department of Agriculture audit the granaries (first purchasers) where checkoff funds are collected. The Promotion Board uses an independent accountant and is also audited by another accounting firm in Jackson. We are further audited by the United Soybean Board in St. Louis in addition to the Agricultural Marketing Service of USDA.

7. What entities oversee the board's activities? Provide links to any oversight reports and recommendations.

The United Soybean Board (USB) and the Agricultural Marketing Service (AMS) of USDA provide that function. The USB has approved our audits for 2018 and 2019.

8. Does the U.S. Department of Agriculture review the board? Please provide links to any monitoring reports or audits.

Yes, AMS reviews our audits via the USB.

9. Does the board receive questions or complaints from the soybean industry on the board's use of the assessments? If so, how does the board handle these situations?

There have been no substantial questions or complaints since the last Sunset Audit. However, our farmer/directors hear concerns from fellow farmers that are addressed by the board and if necessary, forwarded to the United Soybean Board which oversees compliance issues.

Financial Information

10. What were the board's revenues and expenditures for Fiscal Years 2018, 2019 and 2020?

Attached are Statements of Cash Receipts and Disbursements for each fiscal year.

Does the board carry a reserve balance?

We do carry a reserve due to the fluctuating nature of our industry with weather, transportation, government intervention in international markets, and supply and demand changes.

11. What per diem or travel reimbursements do board members receive? How much was paid to board members in Fiscal Years 2018, 2019 and 2020?

We do not pay per diems and only reimburse directors for business expenditures associated with checkoff functions. Board members were reimbursed \$4,735.82 in FY 2018, \$5,993.51 in FY 2019, and \$3,484.63 in FY 2020.

12. How are the assessments on soybean purchases (which fund the board) paid and who collects and tracks the assessments? How are refunds handled?

As an entity of the National Soybean Checkoff we do not have refunds. First purchasers collect the checkoff assessments from farmers which are forwarded to the First Citizens National Bank lock box in Nashville. Those funds are deposited in our account. The assessments from the granaries are audited by TDA.

13. Who decides how to spend the proceeds from the assessments? What percent is kept by the board and what percent is kept by the Soybean Promotion Council?

The nine TSPB directors decide how the funds are invested. The TSPB controls/approves the Council budget. We do not operate on set percentages.

14. Section 43-20-103, *Tennessee Code Annotated*, gives the Department of Agriculture the authority to inspect records that deal in any way with the assessment. Does the department have a process to inspect the board's records? Has the department inspected the records, and if so, what were the results?

The national soybean checkoff program is the primary control of the checkoff. TDA has a liaison that attends our meetings and receives the financials and program information for TDA. We also forward our year end statement to the State.

15. Does the Department of Agriculture have a process to review the board's expenditures to ensure that the board is complying with statutory requirements for the use of the funds? Does the department exercise any oversight on how money is spent?

Yes, please see the answer for 14.

16. Are you aware of any fraud or misuse of funds related to the soybean promotion program in Tennessee?

We are not aware of any fraud or misuse of checkoff funds.

Sunshine Law, Public Meetings, and Conflict of Interest Policies

17. Is the board subject to Sunshine law requirements (Section 8-44-101 et seq., *Tennessee Code Annotated*) for public notice of meetings, prompt and full recording of minutes, and public access to minutes? If so, what procedures does the board have for informing the public of meetings and making minutes available to the public?

The national checkoff supersedes our state checkoff with both organizations having similar requirements.

18. Does the board allow for public comment at meetings? Is prior notice required for public comment to be heard? If public comment is not allowed, how does the board obtain feedback from the public and soybean industry members?

We maintain a website that allows feedback along with our toll-free phone number. We are also open to feedback from the Association, the Co-Op, and the Farm Bureau. Our directors hear from fellow farmers.

19. Does the board have a conflict of interest policy?

Yes, please see the attachment on pages 20 and 21.

20. Does the board have a website or information on the Department of Agriculture's website? If so, please provide the web address. What kind of public information is available on the website?

Our website address is www.tnsoybeans.org. We provide promotion and research information.

Reports, Major Accomplishments, and Proposed Legislative Changes

21. How has board planned and conducted a program of productive research, education, market development and advertising designed to promote the soybean industry in Tennessee, as required by Section 43-20-105, *Tennessee Code Annotated*?

We create a marketing plan each year and budget for research and promotional information to satisfy that provision. The directors are very astute in recognizing research needs.

22. What soybean promotion activities did the board engage in in Fiscal Years 2018, 2019 and 2020? How does the board evaluate the success of these activities?

Please see our attached written budget, pages 10-19.

23. What were the board's major accomplishments during Fiscal Years 2018, 2019 and 2020?

A major accomplishment is the expansion of export sales along with biodiesel promotion. We are developing an aquaculture industry along with research for new uses. We continue to use research for production and new uses with investments in our state and with the United Soybean Board, the United Soybean Export Council, the World Initiative for Soy in Human Health, and the Soybean Aquaculture Alliance. These are ongoing programs that continued throughout each of those years. However, in the last 18 months we have lost sales/exports due our changing trade relationship with China, the Asian Swine Fever, and Covid19.

24. Please describe any items related to the board that require legislative attention and your proposed legislative changes.

We have none at this time.

25. Should the board be continued? To what extent and in what ways would the absence of the authority affect the public health, safety, or welfare of the citizens of Tennessee?

Yes, the board needs to continue. Working with TDA is beneficial for soybean producers and the citizens of our state. We feel very strongly about feeding the world and providing fuel and fiber. Soybeans provide protein which is necessary for life.

26. Please identify the appropriate agency representative or representatives possessing substantial knowledge and understanding of the responses provided to the sunset review questions.

Parks Wells (Executive Director of TSPB), Don Willis (Chairman TSPB), John H. Dodson (President TN Soybean Association), Alan Meadows (Director United Soybean Board), and Johnny Dodson (Director United States Soybean Export Council.)

27. Please identify the appropriate agency representative or representatives who will respond to the questions at the scheduled sunset hearing.

Parks Wells and Johnny Dodson

28. Please provide the office address, telephone number, and email address of the agency representative or representatives who will respond to the questions at the scheduled sunset hearing.

Parks Wells, Executive Director TN Soybean Promotion Board
Tennessee Soybean Promotion Council
100 Executive Drive
Jackson, TN 38305
pwells@tnsoybeans.org
731-668-2850; cell- 731-234-1697

Johnny Dodson (Farmer),
731-225-1942
johnnydodson@bellsouth.net

Tennessee Soybean Promotion Board
Statement of Cash Receipts and Disbursements (Modified Cash Basis)
Substantially All Disclosures Omitted
For the 12 Months Ended June 30, 2018

	12 Months Ended June 30, 2018
Revenue	
Collected For Other States	\$ 298,308.29
Collected From Other States	956,290.87
Interest Income	9,178.43
Penalties	3,862.70
Reimburse Other States	(298,231.36)
SPARC Assessments	2,874,504.05
United Soybean Board - SPARC	<u>(1,906,354.27)</u>
Total Revenue	<u>1,937,558.71</u>
Operating Expenses	
Accounting & Professional	8,175.00
Bank Charges	35.00
Building Maintenance	366.20
Collection Costs	720.00
Depreciation	12,403.65
Insurance	(45.02)
Loss (Gain) on Asset Disposition	1,772.34
Meetings, Travel	20,009.90
Memberships, Sponsorships	163,700.00
Miscellaneous	0.00
Office Expense	257.93
Printing, Postage	0.00
Property Tax	6,171.00
Research, Grants, Awards	1,440,166.90
State Audit of Elevators	1,985.16
Supplies	0.00
TSPC Promotion & Research	<u>516,845.00</u>
Total Operating Expenses	<u>2,172,563.06</u>
Net Income (Loss)	<u><u>\$ (235,004.35)</u></u>

No assurance is provided on these financial statements
Joanna W. Butler, CPA
Jackson, TN

Statement of Cash Receipts and Disbursements (Modified Cash Basis)
Substantially All Disclosures Omitted
For the 12 Months Ended June 30, 2019

	12 Months Ended June 30, 2019
Revenue	
Collected For Other States	\$ 195,093.19
Collected From Other States	881,639.97
Interest Income	18,684.31
Penalties	4,491.77
Reimburse Other States	(187,893.50)
SPARC Assessments	2,229,887.92
United Soybean Board - SPARC	<u>(1,526,046.24)</u>
Total Revenue	<u>1,615,857.42</u>
Operating Expenses	
Accounting & Professional	9,764.50
Bank Charges	150.00
Building Maintenance	875.93
Collection Costs	480.00
Depreciation	11,449.33
Insurance	551.00
Loss (Gain) on Asset Disposition	0.00
Meetings, Travel	23,754.30
Memberships, Sponsorships	141,800.00
Miscellaneous	280.02
Office Expense	147.50
Printing, Postage	26.00
Property Tax	6,442.00
Research, Grants, Awards	1,283,992.58
Soy Bean Biz Pages/Ads	22,500.00
State Audit of Elevators	4,627.60
Supplies	0.00
TSPC Promotion & Research	<u>479,455.00</u>
Total Operating Expenses	<u>1,986,295.76</u>
Net Income (Loss)	<u><u>\$ (370,438.34)</u></u>

No assurance is provided on these financial statements
Joanna W. Butler, CPA
Jackson, TN

Statement of Cash Receipts and Disbursements (Modified Cash Basis)
Substantially All Disclosures Omitted
For the 12 Months Ended June 30, 2020

	12 Months Ended June 30, 2020
Revenue	
Collected For Other States	\$ 200,646.43
Collected From Other States	716,360.06
Interest Income	18,202.32
Penalties	1,549.97
Reimburse Other States	(139,665.41)
SPARC Assessments	1,885,428.90
United Soybean Board - SPARC	<u>(1,343,691.02)</u>
Total Revenue	<u>1,338,831.25</u>
Operating Expenses	
Accounting & Professional	10,853.16
Bank Charges	0.00
Building Maintenance	1,263.34
Collection Costs	720.00
Depreciation	11,425.00
Insurance	475.00
Loss (Gain) on Asset Disposition	0.00
Meetings, Travel	17,559.87
Memberships, Sponsorships	147,500.00
Miscellaneous	0.00
Office Expense	357.79
Printing, Postage	204.20
Property Tax	6,442.00
Research, Grants, Awards	739,492.15
Soy Bean Biz Pages/Ads	15,000.00
State Audit of Elevators	807.80
Supplies	0.00
TSPC Promotion & Research	<u>478,138.00</u>
Total Operating Expenses	<u>1,430,238.31</u>
Net Income (Loss)	<u><u>\$ (91,407.06)</u></u>

No assurance is provided on these financial statements
Joanna W. Butler, CPA
Jackson, TN

TENNESSEE SOYBEAN
PROMOTION COUNCIL, INC.

Approved Written Budget for 2019-2020

July 26, 2019

Communications

Project # 2020-1

Objectives: Our office disseminates soybean information across our state about the importance of soybeans. This includes communications with and from the United Soybean Board, the Tennessee Soybean Promotion Board, the Tennessee Soybean Association, and the American Soybean Association.

The number one customer of soybean meal in the United States is the livestock and poultry sector. The meat markets are increasingly being attacked with inaccurate and prejudicial information. We will work with the livestock industry to provide consumers with accurate information about farmers and farm animal production. This includes disseminating information about GMO.

The new Tyson plant in Humboldt will increase our coordination with them. We and Tyson are increasing Sustainability Programs.

We will continue to work with the Clean Cities organizations to provide information about clean burning biodiesel. It is also essential that we inform the public that the cost of food is not greatly affected by alternative fuels. Producers need to be kept informed about production and marketing issues that affect their ability to stay in business.

Accurate information about market activity and new convergence issues needs to be disseminated to soybean producers. Global activities within our industry continue to threaten the competitiveness for our producers.

When available Parks will be attending ASA, USB, the United States Soybean Export Council (USSEC), NBB, the Soybean Transportation Coalition (STC), and various state meetings representing the Council in addition to our state farmers. He will also be involved in the Clean Cities Coalition meetings across the state as well as the State Government meetings on biofuels. With the changes in the joint meetings for ASA and USB there will be additional travel for staff and producers.

Communications will consume approximately eighty-five percent of Gina's work time. Social media is growing faster and involves more communicative efforts all of the time. Gina will be updating our website on the internet as well as managing our 'social media' efforts.

In addition, Gina will also represent our office at consumer functions and at state/national soybean meetings.

She will be the first contact person in our office for activities with the Center for Food Integrity (CFI), the Farm Animal Care Coalition of Tennessee (FACCT), and the Tennessee Renewable Energy and Economic Development Council (TREEDC).

We will work with Discovery Park of America in providing a display to promote soybeans and animal agriculture. We will place an emphasis on science and our goal is to educate the public about GMOs.

Salaries Expense	\$ 145,012.75
Overhead Expenses	\$ 59,682.31
Travel & Meetings	<u>\$ 50,000.00</u>
Total Budgeted	<u>\$ 254,695.06</u>

Research Coordination

Project # 2020-2

Objectives: Our office will provide administrative support and implement checkoff funded soybean utilization and production research on the state level with Tennessee universities. We want to ensure that research is effectively managed. Coordination of information is the key to good stewardship for our producers' check-off funds.

We will provide administrative support and farmer input for research projects within the Southern Soybean Research Program (SSRP). This research program was designed to commingle state research funds in the southeast with national funds in an effort to work on regional production problems too large for individual state programs. The SSRP website can be found at www.kysoy.org. We will also be monitoring the Mid-South Soybean Board.

Our office will monitor state production problems and national research priorities. It will be necessary to attend some of the national research committee meetings in addition to the USB meetings where priorities are evaluated. The needs of the southern producers are not always the same as the producers in the main growing region, and it is necessary to provide emphasis for research needs for our state. This includes high oleic soybean breeding for the southern region.

Weed resistance in our state is still a major problem for our state producers. There is now herbicide resistance to pigweed. We will work with the University of Tennessee to ensure that we have outstanding researchers and extension personnel to assist our farmers in soybean production. There will be increased efforts in controlling deer. Our goal is for higher yields each and every year.

We will also be working with Farm Space Systems and Middle Tennessee State University in an unmanned aerial system (drone) for soybeans. A similar UAS projected is being conducted by the University of Tennessee at Milan. UAS is the future of diagnosing and measuring crop disease and scouting for other pests.

Salaries Expense	\$ 26,450.54
Overhead Expenses	\$ 10,886.14
Travel & Meetings	<u>\$ 17,000.00</u>
Total Expenses	<u>\$ 54,336.69</u>

Consumer Information

Project # 2020-3

Objectives: Our office will continue to provide Tennessee consumers with current information about the economic and health benefits of soybeans. The Clean Cities Coalitions continue to support biodiesel with programs across the state. Tennessee has been recognized as a leading state in the regulation of biodiesel quality. This includes coordination with Discovery Park of America with a display.

We want to continue to promote the many health benefits of soybeans and soybean products. Providing sample products and product information will benefit consumers in understanding the importance of soybean ingredients in the thousands of grocery items containing soy protein. Each year new soy products are introduced and our office will be a conduit for information to state consumers.

We will continue to communicate real science about agriculture to the public and act as a clearinghouse of information for consumers across the state. It is essential that we support the usage of biodiesel in order to lower the surplus of soy oil.

The Ag in the Classroom Program allows us the opportunity to reach across the state. We will be placing displays in educational events and provide information for students in K-1 through the University level.

We will continue to support the Tennessee Soybean Festival in Martin (www.tnsoybeanfestival.org). Funding will be provided for functions, events, and meals promoting soy at the Festival. This includes cooking and serving chicken and ribs in conjunction with Tyson Foods for the Friday night event where we will feed approximately 1,000 attendees.

Salaries Expense	\$ 20,018.67
Overhead Expenses	\$ 8,239.00
Promotional Expenses	\$ 100,000.00
Travel & Meetings	<u>\$ 15,000.00</u>
Total Budgeted	<u>\$ 143,257.67</u>

Collection and Compliance

Project # 2020-4

Objectives: We will manage the checkoff collections and ensure that our QSSB is in compliance with both the state and national legislations.

Our office manages the collection and distribution of funds from and to other QSSBs and to the United Soybean Board. We also work with the Tennessee Department of Agriculture in auditing the first purchasers. Our office will continue to provide the forms and envelopes to make it easier for first purchasers to assess the check-off.

Joanna performs the computations for the SPARC reports and works with Joanna Butler, CPA, along with our accounting firm. Marsha handles the individual elevator returns and coordinates the postings. First Citizens Bank in Dyersburg receives the individual deposits via a lock box in Nashville from the first purchasers.

Joanna also performs the internal auditing and bookkeeping functions for our office in addition to assisting in the SPARC reports.

We use the firm of Cowart, Reese & Sargent CPA's in Jackson as our auditors. We will also utilize Darold Ziegler to stay in compliance with the Act and Order.

We increased our work hours in compliance due to the Sunset Audits preparations for 2014 and 2015. Budgeting and financial preparation is included in Collections and Compliance time allocation.

Salaries Expense	\$ 12,764.35
Overhead Expenses	\$ 5,253.37
Travel & Meetings	<u>\$ 8,000.00</u>
Total Budgeted	<u><u>\$ 26,017.72</u></u>

Tennessee Soybean Association

Project # 2020-6

Objectives: Our office provides administrative support to the Tennessee Soybean Association. The national checkoff legislation prohibits funding for governmental lobbying and Association membership from assessments. Expenses for staff time spent on Association issues are kept separate from check-off issues and reimbursed to the Council. Direct expenses for the Association are paid from the Association bank account. A percentage of overhead expenses is allocated for reimbursement to the Council.

The Association is dependent on volunteer efforts by our state producers to manage lobbying and membership issues.

Marsha will handle membership posting and communication with the American Soybean Association.

Parks' role with policy and membership will be limited to a minimal number of hours. Producers will support membership efforts in the state.

Gina will also have Association duties.

ASA is changing its membership structure, and we will make appropriate adjustments when the changes occur.

Salaries Expense	\$ 14,571.69
Overhead	<u>\$ 1,527.17</u>
Total Budgeted	<u>\$ 16,098.86</u>

Tennessee Soybean Office Conflict of Interest and Gift Policy 2020

TSA, TSPC, TSPB

Directors on the Tennessee Soybean Board(s) shall exercise their responsibilities and duties free of any potential conflicts of interest or the appearance of conflicts of interest.

Conflict of Interest

Board directors will disclose any relationships that might create a conflict of interest and directors will not:

1. Associate with persons as defined herein in a manner that would impair the Board's independence or integrity;
2. Disclose information not authorized for release obtained through their position as directors; or
3. Accept gifts or discounts from related organizations.

The officers of the Board will review all affidavits and determine whether a conflict of interest exists.

Directors are strongly encouraged to exercise their best judgment and recuse themselves from participating in or voting on matters where there is the appearance of a conflict of interest

Relationships

Conflict of interest exists if a director has a relationship with any person who is transacting or may transact business with the Board(s). A relationship from his or her immediate family gives rise to a potential conflict of interest if that family member:

1. is or has been a director, officer or employee of a organization/person that has done, is doing, or is proposing to do business with the Board; or
2. is or will be an owner, partner, member or shareholder of such organization/person or receives, has received or may receive any financial or other benefit from such organization/person.

Immediate family shall include parents, grandparents, siblings, children, grandchildren, spouses, in-laws, uncles, aunts, nephews, nieces, and first cousins. The financial interests or business relationships of such persons shall be ascribed to the director(s).

With respect to organizations/persons who may transact business with the Board, a potential conflict exists if:

1. the Board is doing business with such organization/person and a Board director is involved, or responsible for, the oversight of such program, or

2. a proposal is pending from such organization/person before the Board or a committee of the Board and the Board director is in a position to influence approval of such proposal.

Gifts

Board directors may accept personal gifts from persons transacting business with the Board subject to the following restrictions:

1. May accept any gift valued at less than \$50 so long as accepting it does not create the appearance of conflict of interest.
2. Accept gifts valued at \$50 but less than \$250 so long as he or she reports such gifts on his or her annual disclosure statement.
3. For gifts valued at \$250 or more, a Board director may not accept such a gift without the prior written permission of the president or its designees.

A gift includes any goods, services, discounts, or any other benefit that a Board director receives in exchange for no consideration or less consideration than the value of the benefit given.

Travel and Meals

Board directors may accept meals, lodging, transportation and miscellaneous expenses subject to certain conditions. Meals must be provided in conjunction with working sessions of meetings, conferences or other events directly related to Board business. A Board director may accept payment or reimbursement for lodging, transportation or miscellaneous expenses in connection with a meeting, conference or other event that the Board director attends as a Board representative to promote the Board's agenda.

Reporting

Board directors must report all relationships that give rise to a potential conflict or interest, all gifts valued at \$50 or more, and all travel related payments and reimbursements in their annual disclosure statement. Board members must promptly disclose to an officer of the Board any potential conflict of interest regarding any proposed business transaction. The officers shall keep confidential all reports and information otherwise disclosed